

MEMORANDUM FOR: Honorable L. Mendel Rivers, Chairman
Armed Services Committee
House of Representatives

Honorable William H. Bates
Armed Services Committee
House of Representatives

FROM: Mr. John R. Blandford, Chief Counsel
Armed Services Committee
House of Representatives

SUBJECT: Draft Central Intelligence Agency Regulations
Under the Early Retirement Legislation

1. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees, P.L. 88-643, provides in section 201 that the rules and regulations to be established by the Director shall not become effective until after approval by the Chairmen and Ranking Minority members of the Armed Services Committees of the House and Senate. The proposed regulations have been submitted to the two Committees.

2. A review of the regulations indicates that the Agency has complied with the intent of the law and that they are within the spirit of the presentations made to this Committee. The great bulk of the regulations are standard language necessary to describe the procedures and steps involved in an integrated retirement and disability system. The additional regulatory material containing the key feature from the standpoint of this Committee deals with the question of who is entitled to be a participant. The Agency has applied a stricter definition of "qualifying service" than is specified in the statute (a definition of qualifying service was inserted by the Senate). The Agency has spelled out in greater detail

than could be done on an unclassified basis precisely what they mean by qualifying service. In addition, the Agency has established criteria for those who may be eligible to participate which are stricter than required under the statute. One aspect of the Agency's approach is the requirement for a periodic review of the actual service performed by a participant to assure that he is performing minimum periods of qualifying service as his career progresses. If the employee is not meeting these minimum standards, the regulations provide for his removal from the system until he in fact has performed the prescribed periods of qualifying service.

3. The regulations establish a retirement board to advise the Director of Personnel on specific cases and other policy matters in the administration of the retirement system. Involuntary retirement can only be approved by the Director. There are provisions for employees to appeal adverse determinations. Such appeals are considered by the retirement board and the Director of Personnel. Where an employee wishes to appeal a determination by the Director, he may do so and under the regulations the Inspector General of the Agency investigates the case and reports his findings to the Director.

4. I believe it of interest to advise that the Director established a panel of three lawyers in private practice to review these regulations. The lawyers selected were:



STAT

I am informed that as the panel progressed in its work it made a number of suggestions for revisions which were accepted by the Agency. In their opinion to the Director they stated:

In our opinion the proposed regulations, as revised, are consistent with the letter and the purpose of the legislation. They assure that only those employees who perform unique or hazardous services for their country will be permitted to participate. At the same time, they allow the flexibility needed by the Agency if this program is to be an effective management tool.

We wish to compliment you and the members of your staff on the conscientious effort which the Agency has made to develop sound regulations which carefully carry out the intent of Congress.

5. It is also a matter of interest that the Bureau of the Budget has approved the Agency regulations as they were submitted by the Agency. I am further informed that staff review by the Senate Armed Services Committee has not indicated any questions or suggestions for revision.

6. I recommend that you sign the attached letter advising the Director of Central Intelligence that you approve the proposed regulations.

JOHN R. BLANDFORD

Att.

Taken by JGO to Russ Blandford 2/23/65

File: CIA Early Ret. File